



July 19, 2006

DATE (Month, Day, Year)

## Hamilton County Board of Commissioners

# RESOLUTION

No. 706-29

A RESOLUTION TO MAKE CERTAIN FINDINGS RELATING TO THE UNITED PACKERS OF CHATTANOOGA, LLC/COCA-COLA BOTTLING COMPANY UNITED-EAST, LLC, PROJECT, TO DELEGATE CERTAIN AUTHORITY TO THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, AND TO AUTHORIZE THE COUNTY MAYOR TO ENTER INTO AND EXECUTE AN AGREEMENT FOR PAYMENTS IN LIEU OF AD VALOREM TAXES.

**WHEREAS,** pursuant to Tennessee Code Annotated, Section 7-53-305(b) Hamilton County (the "County") is permitted to delegate to The Industrial Development Board of the City of Chattanooga (the "Corporation") the authority to negotiate and accept payments in lieu of ad valorem taxes from lessees of the Corporation upon a finding by the County that such payments are deemed to be in furtherance of the Corporation's public purposes; and,

**WHEREAS,** United Packers of Chattanooga, LLC and Coca-Cola Bottling Company United-East, LLC (the "Companies") are contemplating the construction of improvements to real property and the acquisition of machinery and equipment for their manufacturing facility in the County, and, because of the substantial economic benefits to the City of Chattanooga and the County resulting from the project, have asked the Corporation and the County to approve payments in lieu of ad valorem taxes; and

**WHEREAS,** the County has determined that payments in lieu of ad valorem taxes from such a project would be in furtherance of the Corporation's public purposes as set forth within Chapter 53 of Title 7 of the Tennessee Code Annotated;

**NOW, THEREFORE, BE IT RESOLVED BY THIS COMMISSION:**

That we do hereby find that the United Packers of Chattanooga, LLC/Coca-Cola Bottling Company United-East, LLC, project referenced above is in the best interest of the County, and that payments in lieu of ad valorem taxes derived therefrom would be in furtherance of the Corporation's public purposes; and,

That, having made such a finding in this instance, we do hereby delegate to the Corporation the authority to negotiate and accept payments in lieu of ad valorem taxes from the Companies, it being further noted that this delegation is for this purpose and this project only; and,

That the County Mayor is hereby authorized to enter into an Agreement for Payments In Lieu Of Ad Valorem Taxes in the form attached hereto, with such changes thereto as he shall approve; and,

**BE IT FURTHER RESOLVED THAT THIS RESOLUTION TAKE EFFECT FROM AND AFTER ITS PASSAGE, THE PUBLIC WELFARE REQUIRING IT.**

Content\_2985469\_1.DOC

MB: 311PAGE: 269Approved: ☒

CERTIFICATION OF ACTION

Rejected: ☐

*W.D. Russell*  
County Clerk

Approved: ☒

*Clad Ramsey*  
County Mayor

Vetoed: ☐

July 19, 2006

Date





RESOLUTION 706-29

RECEIVED  
By D. Rollins

JAN 11 2007

W. F. (BILL) KNOWLES  
COUNTY CLERK

**HAMILTON COUNTY GOVERNMENT  
OFFICE OF THE COUNTY ATTORNEY**

Room 204 County Courthouse  
Chattanooga, Tennessee 37402-1956  
Telephone (423) 209-6150  
Fax (423) 209-6151

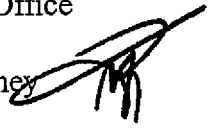
Rheubin McGhee Taylor  
County Attorney

David Norton  
Assistant County Attorney

Mary Neill Southerland  
Assistant County Attorney

**MEMORANDUM**

**TO:** Debbie Rollins, County Clerk's Office  
Arlene Hughes, County Mayor's Office  
Susan Bedwell, County Trustee's Office  
Susan Silvey, County Assessor's Office

**FROM:** Rheubin M. Taylor, County Attorney 

**DATE:** January 10, 2007

**RE:** Economic Development Agreement for United Packers of Chattanooga,  
LLC/Coca-Cola Bottling Company United-East, LLC

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Enclosed, please find the final executed copy of the Agreement between The Industrial Development Board of the City of Chattanooga; United Packers of Chattanooga, LLC; Coca-Cola Bottling Company United-East, LLC; the City of Chattanooga, and Hamilton County.

The original is being sent to Debbie Rollins for the County Clerk's records.

Thank you for your continued assistance in these matters.

Enclosure

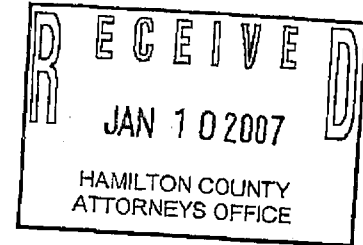
MILLER  
& MARTIN  
PLLC  
ATTORNEYS AT LAW

COPY

SUITE 1000 VOLUNTEER BUILDING  
832 GEORGIA AVENUE  
CHATTANOOGA, TENNESSEE 37402-2289  
(423) 756-6600  
FAX (423) 785-8480

ALFRED E. SMITH, JR.  
Direct Dial (423) 785-8223  
Direct Fax (423) 321-1564  
asmith@millermartin.com

January 10, 2007



Office of the Comptroller  
Division of Property Assessments  
Suite 1400 (EDA Compliance)  
505 Deaderick Street  
Nashville TN 37243-0277  
Attention: Barry Monson

Re: *Economic Development Agreement for United Packers of Chattanooga, LLC/Coca-Cola Bottling Company United-East, LLC*

Dear Mr. Monson:

Enclosed in accordance with the requirements of T.C.A. §4-17-301 et seq is a copy of an Agreement For Payments In Lieu Of Ad Valorem Taxes with respect to United Packers of Chattanooga, LLC/Coca-Cola Bottling Company United-East, LLC.

Sincerely yours,

*Alfred Smith*

Alfred E. Smith, Jr.

AES/gp

Enclosure

cc: Mr. Hafiz Chandiwalla (w/enclosure - original)  
Mr. Frederic L. Smith, Jr. (w/enclosure-copy)  
Honorable Claude T. Ramsey, County Mayor (w/enclosure - copy)  
Honorable Ron Littlefield, Mayor (w/enclosure - copy)  
Ms. Susan Bedwell (w/enclosure - copy)  
Honorable William C. Bennett (w/enclosure - copy)  
Mr. James Gattis (w/enclosure - copy)  
Mr. Louis Wright (w/enclosure - copy)  
Ms. Daisy Madison (w/enclosure-copy)  
Mr. Randall L. Nelson (w/enclosures - originals for City and IDB)  
Mr. Rheubin M. Taylor (w/enclosure - original for County)  
Mr. Steve Hiatt (w/enclosure - copy)

**AGREEMENT FOR PAYMENTS IN LIEU  
OF AD VALOREM TAXES**

**THIS AGREEMENT** is made and entered into as of this 1st day of December, 2006, by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA** (the "Board"); **UNITED PACKERS OF CHATTANOOGA, LLC**, a Tennessee limited liability company ("United"); **COCA-COLA BOTTLING COMPANY UNITED-EAST, LLC**, a Delaware limited liability company ("East"); the **CITY OF CHATTANOOGA** (the "City"); and **HAMILTON COUNTY** (the "County") and is joined in, for purposes of evidencing their acceptance of the agency relationship established herein, by **CARL E. LEVI** and his successors, acting in the capacity of **HAMILTON COUNTY TRUSTEE** ("Trustee"), and by **WILLIAM C. BENNETT** and his successors, acting in the capacity of **HAMILTON COUNTY ASSESSOR OF PROPERTY** ("Assessor").

**WITNESSETH:**

**WHEREAS**, East is contemplating the construction of improvements to its manufacturing facility on property located in Chattanooga, Hamilton County, Tennessee, and United is contemplating leasing such facility from East, acquiring additional machinery and equipment for the facility and operating it as a manufacturing business (collectively the "Project"), resulting in an investment of approximately \$16,500,000 and creation over a three-year period of approximately 27 jobs at an average annual wage rate at least equal to \$47,000 (the "Investment, Jobs and Payroll Projection"), and both companies (collectively the "Companies") have requested the Board's assistance in the financing of the Project; and

**WHEREAS**, substantial economic benefits to the Chattanooga and County economies will be derived from the Project; and

**WHEREAS**, the Board has agreed to take title to property including the Project, as described in Exhibit "A" attached hereto (the "Property"), which Property is to be owned by the Board and leased to the Companies, provided that the Board shall not take title to the property described in Exhibit "B" attached hereto; and

**WHEREAS**, because the Property is to be owned by the Board, which is a public corporation organized under the provisions of Tennessee Code Annotated, §7-53-101, et seq., all such property will be exempt from ad valorem property taxes ("property taxes") normally paid to the City of Chattanooga and to the County, so long as the Property is owned by the Board, pursuant to the provisions of Tennessee Code Annotated, §7-53-305; and

**WHEREAS**, for the public benefit of the citizens of the City and the County, the Board has requested that the Companies make certain payments to the Board in lieu of the payment of property taxes that would otherwise be payable on the Property; and

**WHEREAS**, the Companies have agreed to make such payments to the Board in lieu of the property taxes otherwise payable on the Property (the "In Lieu Payments"), as more particularly set forth hereinafter; and

**WHEREAS**, the Board has been authorized to receive the In Lieu Payments in lieu of property taxes by resolutions adopted by the City and the County, acting through their duly elected Council and Commission, respectively, which resolutions delegate to the Board the authority to accept the In Lieu Payments upon compliance with certain terms and conditions, including, without limitation, the requirement that the Board collect and expend such payments in furtherance of the public purposes for which the Board was created; and

**WHEREAS**, the Companies and the Board have agreed that all In Lieu Payments made to the Board by the Companies shall be paid to the Trustee, who shall disburse such amounts to

the general funds of the City and the County in accordance with the requirements specified herein; and

**WHEREAS**, the Board wishes to designate the Assessor its agent to appraise the Property and assess a percentage of its value, under certain circumstances, in the manner specified herein; and

**WHEREAS**, the Board wishes to designate the Trustee its agent to receive the In Lieu Payments in accordance with the terms of this Agreement;

**NOW, THEREFORE, IN CONSIDERATION OF** the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1.     Designation of Assessor; Appraisal and Assessment of Property. The Board hereby designates the Assessor as its agent to appraise and assess the Property. The Assessor shall appraise and assess the Property in accordance with the Constitution and laws of the State of Tennessee as though the Property were subject to property taxes. The Assessor shall give the Trustee, the City Treasurer, the Board, and the Companies notice of any changes in appraisals of the Property in the same manner that notices are given to owners of taxable property. The Assessor shall make available to the Board and the Companies all records relating to the appraisal and assessment of the Property.

2.     Designation of Trustee; Computation and Billing of Payments In Lieu of Taxes. The Board hereby designates the Trustee its agent to compute the amounts of the In Lieu Payments, to receive such payments from the Companies and to disburse such payments to the City and the County. On or about October 1 of each year, the Trustee shall compute the taxes which would be payable on the Property if it were subject to property taxes, in accordance with the Constitution and laws of the State of Tennessee and in accordance with the appraisal and

assessment of the Assessor. Each year hereunder, the Trustee shall send the Board and the Companies bills for appropriate respective amounts of In Lieu Payments (the "Tax Bills").

3. Payments in Lieu of Taxes. After receipt of the Tax Bills, the Companies shall pay to the Trustee the respective amounts indicated on the Tax Bills in accordance with the amount set forth below in Paragraph 4. The In Lieu Payments shall be made by the Companies in lieu of the property taxes which would otherwise be payable on the property if it were subject to property taxes.

4. Amount of Payments by the Companies. For any period hereunder occurring before January 1, 2007 or after December 31, 2014, and during which the Property is owned by the Board, the Companies shall make In Lieu Payments in an amount, as determined by the Assessor and the Trustee, equal to the taxes that would have been payable on the Property if it were subject to property taxes. For each of the years 2007 through 2014, the Companies shall make In Lieu Payments in an amount equal to the taxes that would have been payable on the Property if it were subject to taxes, except that, as to the new machinery and equipment acquired during the calendar years 2006-2008 and the new improvements made to the Property, the Companies shall make In Lieu Payments in an amount equal to the following percentages of the taxes that would have been payable on the Property if it were subject to property taxes for the respective years shown:

<u>Year(s)</u>	<u>Percentage</u>
2007	0%
2008	20%
2009	40%
2010-2014	50%

5. Penalties and Late Charges. The Companies shall make the In Lieu Payments for each year before March 1 of the following year. All In Lieu Payments shall be subject to penalties, late charges and fees as follows:

(a) If the Companies fail to make any In Lieu Payment when due, and such failure to pay shall continue and not be fully paid within thirty (30) days after written notice of such non-payment has been provided, then a late charge shall be charged and shall also be immediately due and payable. The late charge shall be in the amount of one and one-half percent (1-1/2%) of the owed amount, for each month that each payment has been unpaid. Such one and one-half percent (1-1/2%) per month late charge amount shall accumulate each month and be payable so long as there remains any outstanding unpaid amount.

(b) If the Companies should fail to pay all amounts and late charges due as provided hereinabove, then the Board, the City or the County may bring suit in the Chancery Court of Hamilton County to recover the In Lieu Payments due, late charges, expenses and costs of collection in addition to reasonable attorneys' fees. If the Companies fail to achieve the Investment, Jobs and Payroll Projections, then the City and the County reserve the right to terminate the benefits of this Agreement for any years remaining hereunder. If the Companies close the Project or move it from the County during the term hereof, the City and the County reserve the right to require the partial repayment of amounts that would have been payable on the Property if it were subject to property taxes.

6. Disbursements by Trustee. All sums received by the Trustee pursuant to Paragraph 3 shall be disbursed to the general funds of the City and the County in accordance with this paragraph and in accordance with the normal requirements of law governing the settlement and paying over of taxes to counties and municipalities. All sums received shall be divided into two (2) accounts, one for the use and benefit of the City and the other for the use and benefit of the County. The account for the use and benefit of the City shall be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the City, and the account for the use and benefit of the County shall



be funded with the proportionate amount to which the In Lieu Payments are attributable to property taxes which would otherwise be owed to the County. All disbursements to the general funds of the City and County shall be made by the Trustee subject to the requirement that all funds disbursed may be used by the City and the County only in furtherance of the public purposes of the Board, as described in Tennessee Code Annotated, § 7-53-102.

7. Contest by the Companies. The Companies shall have the right to contest the appraisal or assessment of the Property by the Assessor and the computation by the Trustee of the amount of the In Lieu Payment. If the Companies contest any such appraisal or assessment, then they shall present evidence to the Assessor in favor of their position. Likewise, if the Companies contest any such computation, they shall present evidence to the Trustee in favor of their position. If the In Lieu Payments being contested shall be or become due and payable, the Companies shall make such payments under protest. The Companies and the Assessor or the Trustee, as the case may be, shall negotiate in good faith to resolve any disputes as to appraisal, assessment or computation. If the Companies and the Assessor or the Trustee are unable to resolve a dispute, then either of the Companies may file suit in the Chancery Court of Hamilton County to ask that the provisions of this Agreement, including those covering appraisal, assessment and computation, be construed or applied to the relevant facts by the Chancery Court in order to resolve such dispute.

8. Lien on Property. Any amounts which remain payable under this Agreement shall become a lien on the Property, and such lien shall be enforceable against the Property in the event that any payment owing hereunder is not timely made in accordance with this Agreement.

9. Term. This Agreement shall become effective on the date that the Board attains title to the Property and shall continue for so long as the Board holds title to any of the Property or each of the Companies has made all payments required hereunder, whichever shall later occur.

10. Leasehold Taxation. If the leasehold interest of either of the Companies should be subject to ad valorem taxation, then any amounts assessed as taxes thereon shall be credited against any In Lieu Payments due hereunder.

11. Notices, etc. All notices and other communications provided for hereunder shall be written (including facsimile transmission and telex), and mailed or sent via facsimile transmission or delivered, if to the City, c/o Mr. Randall L. Nelson, Suite 400, Pioneer Bank Building, Chattanooga, Tennessee 37402; if to the County, Mr. Rheubin M. Taylor, County Attorney, Hamilton County Government, Room 204, County Courthouse, Chattanooga, Tennessee 37402; if to the Board, c/o Mr. Randall L. Nelson, Suite 400 Pioneer Building, 801 Broad Street, Chattanooga, Tennessee 37402; if to either of the Companies, 4600 East Lake Boulevard, Birmingham, Alabama 35217, Attention: Vice President and Treasurer; if to the Trustee, at his address at Hamilton County Courthouse, Chattanooga, Tennessee 37402; and if to the Assessor, at his address at Hamilton County Courthouse, Chattanooga, Tennessee 37402; or, as to each party, at such other address as shall be designated by such party in a written notice to the other party. All such notices and communications shall, when mailed by registered or certified mail, return receipt requested, or facsimile, be effective when deposited in the mails or if sent upon facsimile transmission, confirmed electronically, respectively, addressed as aforesaid.

12. No Waiver; Remedies. No failure on the part of any party hereto, and no delay in exercising any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in this Agreement are cumulative and are not exclusive of any remedies provided by law.

13. Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court or jurisdiction, the invalidity of any such clause or provision shall not affect any of the remaining provisions of this Agreement.

14. No Liability of Board's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, of the Board, whether past, present or future, either directly or through the Board. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement.

15. Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties and signatories hereto and to their respective successors and assigns.

16. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee.


17. Amendments. This Agreement may be amended only in writing, signed by each of the parties hereto, except that the Trustee and the Assessor shall not be required to join in amendments unless such amendments affect their respective duties hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day  
and date first above written.

THE INDUSTRIAL DEVELOPMENT BOARD  
OF THE CITY OF CHATTANOOGA

By:   
Chairman

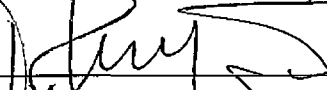
UNITED PACKERS OF CHATTANOOGA, LLC

By:   
Title: Vice President + Treasurer


COCA-COLA BOTTLING COMPANY UNITED-  
EAST, LLC

By:   
Title: Vice President + Treasurer

CITY OF CHATTANOOGA, TENNESSEE

By:   
Mayor

HAMILTON COUNTY, TENNESSEE

By:   
County Mayor

CARL E. LEVI

By:   
Hamilton County Trustee

WILLIAM C. BENNETT


By:   
Hamilton County Assessor of  
Property

EXHIBIT "A"  
TO PILOT AGREEMENT FOR  
UNITED PACKERS OF CHATTANOOGA, LLC  
AND  
COCA-COLA BOTTLING COMPANY UNITED-EAST, LLC

**REAL PROPERTY**

**TRACT 1:**

A parcel of property located in the Second Civil District, Hamilton County, Tennessee:

Being a part of Lots Four (4) and Five (5), partition of the J.S. Bell tract as shown by plat of record in Plat Book 14, Page 135 in the Register's Office of Hamilton County, Tennessee, and being more particularly described as follows:

Beginning at an iron pin in the Southern line of Amnicola Highway located at the Northwestern corner of the tract conveyed to Stone Fort Land Company by deed recorded in Book 1731, Page 329 in said Register's Office; thence South seventeen (17) degrees five (05) minutes East twelve hundred fifty-eight and eight-tenths (1258.8) feet to an iron pin on top of the bank, thence continuing South seventeen (17) degrees five (05) minutes East fifty (50) feet to the edge of the water of Chickamauga Creek, as shown on survey by Betts Engineering Co., Inc. No. 5249-31-72A, thence Eastwardly along the edge of the water of Chickamauga Creek eight hundred thirty-five (835) feet, more or less, to a point located South seventeen (17) degrees five (05) East minutes forty-eight (48) feet from an iron pin located on the edge of the bank, thence North seventeen (17) degrees five (05) minutes West forty-eight (48) feet to an iron pin on the edge of the bank, thence North seventeen (17) degrees five (05) minutes West fourteen hundred thirty-nine and two-tenths (1439.2) feet to an iron pin in the Southern line of Amnicola Highway, thence Westwardly along the Southern line of Amnicola Highway eight hundred (800) feet to the point of beginning, as further shown on survey by Betts Engineering Co., Inc. No. 5249-31-72A.

Being the same property conveyed by Deed recorded in Book 5538, Page 563 said Register's Office.

**TRACT 2:**

All that tract or parcel of land lying and being in the City of Chattanooga, Hamilton County, Tennessee, being more particularly described as follows:

Beginning at an iron pipe in the South line of Amnicola Highway at the Northwest corner of the property conveyed to Chattanooga Coca-Cola Bottling Company, Inc. by deed recorded in Book 1733, Page 28 of the Register's Office, Hamilton County, Tennessee; thence along the West line of the Chattanooga Coca-Cola Bottling Company, Inc. property South 17 degrees 05 minutes East 350 feet to an iron pipe; thence South 72 degrees 55 minutes West 250 feet to an iron pipe; thence North 17 degrees 05 minutes West 307.15 feet to an iron pipe in the South line of Amnicola Highway; thence along the South line of Amnicola Highway on a curve 253.82 feet, on a chord 253.68 feet to the beginning.

Being the same property conveyed by Deed recorded in Book 5538, Page 566, said Register's Office.

**PERSONAL PROPERTY**

All new personal property installed by United Packers of Chattanooga, LLC during the calendar years 2006-2008 (including, without limitation, all equipment installed in 2006 comprising the new hot-fill line in connection with its manufacturing facility located on the real property described above.

**EXHIBIT "B"**  
**TO PILOT AGREEMENT FOR**  
**UNITED PACKERS OF CHATTANOOGA, LLC**  
**AND COCA-COLA BOTTLING COMPANY UNITED-EAST, LLC**

Number	Vendor	Invoice Number	Item(s) Description
1	SIG	205	Down payment on labeling machines
2	SIG	279	2 <sup>nd</sup> down payment upon shipment of labeling machines
3	SIG	292	3 <sup>rd</sup> down payment upon shipment of labeling machines
4	SIG	313	Labeling machine parts
5	SIG	400091	Last down payment for labeling machines
6	KHS Kisters	7301000680	2 <sup>nd</sup> down payment for shrink wrap machines
7	KHS Kisters	7301000	1 <sup>st</sup> down payment for shrink wrap machines
8	KHS Kisters	7301000732	Shrink wrap machine serial # 00.2534
9	KHS Kisters	7301000733	Shrink wrap machine serial #00.2533
10	KHS Kisters	1800001177	Import payment for shrink wrap machine serial #00.2534
11	KHS Kisters	1800001180	Import payment for shrink wrap machine serial #00.2534
12	KHS Kisters	7302025254	Conversion on shrink wrap machine #00.2532
13	Sentry	10913/DP	Conduit support bridges (Lines 1-3)
14	Sentry	10970/DP	Down payment on conveyers
15	Sentry	10921	Electrical controls for conveyor (Line 1)
16	Sentry	10931	Electrical controls for conveyor (Line 2)
17	Sentry	10913	Table top conveyors and components (Line 1)
18	Sentry	10914	Accumulation table for conveyors (Line 1)
19	Sentry	10915	Case conveyor & components (Line 1)
20	Sentry	10916	Table top conveyors and components (Line 1)
21	Sentry	10917	Air conveyor & components (Line 1)
22	Sentry	10018	Cooler extension for conveyors (Line 1)
23	Sentry	10020	Pallet conveyor (Line 1)
24	Sentry	10930	Inline conveyor item #2-81 (Line 2)
25	Sentry	10932	Conduit support bridges (Lines 1-3)
26	Sentry	10975	Table top conveyors and components (Line 2)
27	Sentry	10976	Accumulation table for conveyors (Line 2)
28	Sentry	10927	Case conveyor & components (Line 2)
29	Sentry	10920	Table top conveyors and components (Line 2)
30	Sentry	10928	Air conveyor & components (Line 2)
31	Sentry	10919	Incline conveyor item #1-S1 (Line 1)
32	Sentry	10922	Mechanical installation for conveyors (Line 1)
33	Sentry	10033	Mechanical installation for conveyors (Line 2)
34	Sentry	11162	Table top conveyor & components (Lines 1-3)
35	Sentry	5365/SP	Roller rails for conveyors
36	Sentry	10984	Incline conveyor (Line 3)
37	Sentry	1098	drive motors for combiners on conveyors
38	Sentry	5398/SP	Conveyor parts
39	T-Tek	2051	Palletizer rebuild
40	T-Tek	2052	Palletizer rebuild
41	T-Tek	2053	Palletizer & parts
42	T-Tek	2139	Palletizer & parts
43	T-Tek	2175	Palletizer rebuild
44	T-Tek	2176	Palletizer rebuild
45	T-Tek	2216	Palletizer transfer (Line 1)
46	T-Tek	2215	Palletizer transfer (Line 2)
47	T-Tek	2220	Palletizer transfer (Line 1)
48	T-Tek	7770	Palletizer transfer (Line 2)
49	T-Tek	2227	Palletizer rebuild
50	T-Tek	2228	Palletizer rebuild
51	T-Tek	2270	Palletizer transfer (Line 1)
52	T-Tek	2276	Palletizer transfer (Line 3)
53	T-Tek	2327	Palletizer & parts

## Cost Versus Benefit Analysis for Payment In Lieu of Ad Valorem Tax

Date: December 15, 2006

Person Completing Form: John Maddox

Title: Vice President - Finance & Admin

Lessor: IDB Hamilton County

Lessee: United Packers of Chattanooga, LLC

Lease Term	Term Beginning Date		Total Term Ending Date						
	<u>December 1, 2006</u>		<u>December 1, 2014</u>						
Step 1	<u>27</u>	x	<u>\$ 47,000.00</u>	=	<u>\$ 1,269,000.00</u>	x	<u>2.0</u>	=	<u>\$ 2,538,000.00</u>
	Number of New Jobs		Annual Company Wage		Direct Income	See Note 1		Direct & Indirect Income	
Step 2	<u>\$ 1,269,000.00</u>	÷	<u>\$37,556</u>	=	<u>34</u>				
	Indirect Income		See Note 1		Number Indirect Jobs				
Step 3	<u>\$ 2,538,000.00</u>	x	<u>0.096</u>	=	<u>\$ 243,648.00</u>	x	<u>0.63</u>	=	<u>\$ 153,498.24</u>
	Direct & Indirect Income		See Note 1		New Total Annual State Tax	See Note 1		New Annual State Sales Tax	<u>\$ 42,519.01</u>
								See Note 1	New Annual Local Sales Tax

### Calculation Summary:

Additional comments and information about costs or benefits associated with the project may be attached.

Total of New and Indirect Jobs

61

First Year PILOT Payment County:

\$0

Total of Direct and indirect Income

\$2,538,000

First Year PILOT Payment City:

\$0

Total First Year PILOT:

\$0

Total of New Annual State Sales Tax and New Annual Local Sales Tax

\$196,017

To be completed by Comptroller of Treasury

Market Value of Leased Real Property Improvements

\$3,518,000

Market Value of Leased Machinery & Equipment

\$12,950,000

Market Value of Leased Land

\$0

Total Appraised Value:

\$16,468,000

Total Assessed Value:

\$5,292,200

Note 1

Economic factors and multipliers provided by University of Tennessee for Business and Economic Research, 2006